

**STATE FIRE AND TORNADO FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2002**

	Month Ended 7/31/2002				Current Fiscal YTD	Prior Year FY02	FY01	FY00	FY99	FY98	3 Years Ended 6/30/2002 Net	5 Years Ended 6/30/2002 Net
	Allocation											
	Market Value	Actual	Policy	Net ROR	Net	Net						
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
AllianceBernstein	264,606	1.7%	2.3%	-7.10%	-7.10%	-28.65%	-30.23%	15.71%	29.34%	N/A	-16.80%	N/A
Russell 1000 Growth				-5.50%	-5.50%	-26.49%	-36.18%	25.67%	27.28%	N/A	-16.15%	N/A
<i>Structured Value</i>												
LSV	300,329	1.9%	2.3%	-8.45%	-8.45%	2.41%	28.80%	-11.24%	4.95%	N/A	5.40%	N/A
Russell 1000 Value				-9.30%	-9.30%	-8.96%	10.33%	-8.92%	16.38%	N/A	-2.92%	N/A
<i>S&amp;P 500 Index</i>												
State Street	1,269,728	8.2%	10.5%	-7.77%	-7.77%	-18.03%	-15.00%	7.20%	22.68%	30.11%	-9.27%	3.58%
S&P 500				-7.80%	-7.80%	-17.99%	-14.83%	7.25%	22.75%	30.23%	-9.18%	3.67%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>1,834,662</b>	<b>11.9%</b>	<b>15.0%</b>	<b>-7.79%</b>	<b>-7.79%</b>	<b>-16.89%</b>	<b>-9.87%</b>	<b>2.95%</b>	<b>18.35%</b>	<b>31.65%</b>	<b>-8.30%</b>	<b>3.74%</b>
S&P 500				-7.80%	-7.80%	-17.99%	-14.83%	7.25%	22.75%	30.23%	-9.18%	3.67%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
SEI	572,885	3.7%	5.0%	-13.68%	-13.68%	-12.92%	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000 + 200bp				-14.93%	-14.93%	-7.96%	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>572,885</b>	<b>3.7%</b>	<b>5.0%</b>	<b>-13.68%</b>	<b>-13.68%</b>	<b>-12.92%</b>	<b>1.69%</b>	<b>18.95%</b>	<b>1.47%</b>	<b>13.96%</b>	<b>1.75%</b>	<b>4.02%</b>
Russell 2000				-15.10%	-15.10%	-8.59%	0.57%	14.32%	1.50%	16.51%	1.67%	4.44%
<b>CONVERTIBLES</b>												
TCW	1,229,750	8.0%	10.0%	-7.22%	-7.22%	-20.37%	-15.57%	39.07%	17.51%	19.38%	-2.22%	N/A
First Boston Convertible Index				-6.25%	-6.25%	-12.44%	-11.87%	30.02%	11.69%	13.97%	0.11%	N/A
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Active</i>												
Capital Guardian	1,188,999	7.7%	10.0%	-10.19%	-10.19%	-12.10%	-24.42%	37.53%	22.18%	3.18%	-2.96%	2.87%
MSCI EAFE - 50% Hedged				-10.04%	-10.04%	-14.62%	-20.41%	17.15%	7.62%	6.10%	-7.32%	-1.89%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
Western Asset	3,430,631	22.2%	25.0%	-0.21%	-0.21%	8.36%	12.62%	4.74%	2.50%	11.12%	8.53%	7.80%
Lehman Aggregate				1.21%	1.21%	8.62%	11.22%	4.57%	3.15%	10.54%	8.10%	7.57%
<i>Index</i>												
Bank of ND	1,844,132	11.9%	15.0%	1.32%	1.32%	8.38%	11.02%	4.08%	2.52%	11.40%	7.79%	7.42%
Bank of ND CD'S	-	0.0%	0.0%	N/A	0.29%	5.04%	5.88%	5.74%	5.17%	5.56%	5.55%	5.48%
<b>Total Index</b>	<b>1,844,132</b>	<b>11.9%</b>	<b>15.0%</b>	<b>1.32%</b>	<b>1.22%</b>	<b>8.14%</b>	<b>10.76%</b>	<b>4.19%</b>	<b>2.57%</b>	<b>11.10%</b>	<b>7.66%</b>	<b>7.30%</b>
Lehman Gov/Corp				1.20%	1.20%	8.24%	11.13%	4.31%	2.69%	11.28%	7.86%	7.47%
<i>BBB Average Quality</i>												
Strong	1,341,736	8.7%	10.0%	-1.70%	-1.70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lehman US Credit BAA				-2.23%	-2.23%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>6,616,498</b>	<b>42.8%</b>	<b>50.0%</b>	<b>-0.08%</b>	<b>-0.07%</b>	<b>7.55%</b>	<b>11.77%</b>	<b>4.45%</b>	<b>2.53%</b>	<b>11.10%</b>	<b>7.88%</b>	<b>7.42%</b>
Lehman Aggregate				1.21%	1.21%	8.24%	11.13%	4.31%	2.69%	11.28%	7.86%	7.47%
<b>CASH EQUIVALENTS</b>												
Bank of ND	4,024,118	26.0%	10.0%	0.16%	0.16%	2.41%	5.85%	6.05%	4.96%	5.70%	4.76%	4.99%
90 Day T-Bill				0.15%	0.15%	2.63%	5.90%	5.54%	4.87%	5.31%	4.68%	4.84%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>15,466,913</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-3.48%</b>	<b>-3.48%</b>	<b>-2.43%</b>	<b>0.38%</b>	<b>11.65%</b>	<b>8.46%</b>	<b>14.39%</b>	<b>3.02%</b>	<b>6.29%</b>
POLICY TARGET BENCHMARK				-2.93%	-2.93%	-1.42%	0.73%	9.23%	7.25%	13.54%	2.75%	5.72%

NOTE: Monthly returns and market values are preliminary and subject to change.